

Attachment #2

Quarterly Department Operating Memos

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Q3 Operating Memo – Administration Department

Administration Department September 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
250 Grants from Other Governments	(3,749)	(13,000)	9,251	(5,000)	(8,000)	3,000	
300 Other Revenue	(1,731,108)	(1,685,712)	(45,396)	(1,731,108)	(1,710,712)	(20,396)	
350 Contribution Revenue							
Total 100 Revenue	(1,734,857)	(1,698,712)	(36,145)	(1,736,108)	(1,718,712)	(17,396)	
200 Expenses							
400 Salaries/Benefits/Training	3,318,971	2,917,152	401,819	4,324,455	3,971,080	353,375	177,076
450 Contracted Services	1,001,707	405,427	596,280	1,342,701	706,456	636,245	218,637
500 Supplies and Materials	69,752	209,128	(139,376)	93,965	238,734	(144,769)	3,026
Total 200 Expenses	4,390,430	3,531,707	858,723	5,761,121	4,916,270	844,851	398,739
Total Administration	2,655,573	1,832,995	822,578	4,025,013	3,197,558	827,455	398,739

As At September 30, 2023 Budget vs Actual to Date

Administration Department is tracking under budget in Q3 with a net surplus of \$822.5K, primarily from \$401.8K savings in salaries and benefits which is due to \$80K savings from payroll accrual treatment of retirement benefits for 2022 Mayor and Councilor wages and \$321.8K savings in salaries and benefits due to vacancies across the department and timing of conferences and training.

Out of approximately 17.4 full-time equivalent positions, the department has one planned vacancy in Legislative Services and one auxiliary vacant position from the 2023 enhancements, which are expected to be filled in Q4. Contracted services and Supplies and Materials should be viewed together as the YTD budget for the Building Safer Community Fund project (\$472.1K) is in the contracted services whereas YTD’s actual spending (\$143.2K) is in the supplies and materials category resulting in a net savings of \$328.9K primarily due to the timing of project starts and delay due to the delay in the budget being approved. Savings (\$127.9K) are also experienced across divisions due to work plan constraints, changes to the public notice posting location, and timing of spending. These savings offset the overspending in legal (\$46.1K) in legislative Services.

2023 Service Enhancement

Description	Amount	Status
Consulting and Studies for Indigenous Relations/Asset Mgmt	\$ 100,000	The project is on hold due to staffing, and it is likely not going to be contemplated before the end of the year as planning will take some time
Records Management enhancement cost increase	\$ 21,500	Monitoring - actuals trending higher than budget
Policy payments of \$35K to Indigenous Rights and Title holders who participate in City Committees and \$20K to individuals living in poverty who participate on city committees.	\$ 55,000	Staff did not develop the policy to compensation committee members living in poverty (\$20K), and the Citizen's Assembly will not sit in 2023 (\$30K). Therefore this line item will be underspent by \$50K
One-time funds to support the Economic Impact Model	\$ 25,000	The project is on hold due to work plan constraints. Request to transfer the money to 2024
One-time TPT Indigenous Rel Liason partially funded from auxiliary	\$ 15,000	In progress - expect to fill in Q4
One-time Auxiliary Communications Coordinator Clerk 3	\$ 47,047	Position was staff from January-May. Currently contributing to a 1/3 of a Park's and Recreation communications coordinator
One-time Communications Coordinator (Internal)	\$ 95,012	Filled end of May and expected to work till May 2024
One-time Auxiliary for Business Licensing	\$ 20,017	Completed - funding to extend an existing position

2023 Annual Budget vs Forecast

For year-end, Administration is expected to be under budget with a net surplus of \$827.4K, primarily from \$353.7K savings in salaries and benefits. The department is on track to meet the 3% savings in salaries and benefits from delayed hiring of the one-time salary enhancements, the payroll accrual treatment of retirement benefits for 2022 Mayor and Councilor wages, and the planned vacancy in Legislative Services. The net surplus of \$491.4K in the Contracted Services and Supplies and Materials is primarily attributed to the Building Safer Community Fund project (\$328.9K) and projects on hold due to work plan constraints such as the Indigenous relations and asset management (\$100K), one-time funding to support the Economic Impact Model (\$25K), and Policy to compensation committees members living in poverty (\$20K), and the Citizen's Assembly will not sit in 2023 (\$30K). These savings offset the overspending in legal (\$58.3K) in legislative Services. There will be zero net impact from the Building Safer Community Fund project as the corresponding grant funding for the project is budgeted in General Government.

Planning Ahead

Due to resourcing and work load, economic development staff have been unable to commence work on the Economic Impact Model in 2023 and have requested that the funding for this work be transferred to the 2024 budget. To drive Retail Strategy implementation, as well as accomplish other business support and growth work plan items, an enhancement request for 1.0 FTE position has been included in the 2024 budget. Legislative Services expects continue to be challenged in 2024 by record management costs, contract costs, and legal costs. Legislative Services is currently overseeing the school board by-election with costs in 2023 expected to be recouped in 2024. The administrative department anticipates an enhancement request for a legal assistant will reduce legal costs across the City in 2024 and beyond by allowing the manager of legal services to be more efficient. Citizen's Assembly is currently in final recruitment and will meet throughout 2024 using the \$50K allocated to support committee attendants for rights and title holders and individuals living in poverty.

Q3 Operating Memo – Anvil Centre and Arts Services

Anvil Centre & Arts Services Group as at September 30, 2023	Q1 Budget	Q1 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast	Enhancement
Total 200 Sale of Services	(45,163)	(150,776)	105,613	(61,030)	(188,774)	127,744	-
Total 250 Grants from Other Governments	(22,200)	(191,255)	169,055	(30,000)	(109,385)	79,385	-
Total 300 Other Revenue	(1,813,459)	(1,826,811)	13,352	(2,450,619)	(2,788,153)	337,534	-
Total 350 Contribution Revenue	(7,423)	(2,654)	(4,769)	(10,030)	(5,261)	(4,769)	-
Total 100 Revenue	(1,888,245)	(2,171,496)	283,251	(2,551,679)	(3,091,573)	539,894	-
Total 400 Salaries/Benefits/Training	2,457,092	2,575,654	(118,562)	3,197,784	3,390,333	(192,549)	-
Total 450 Contracted Services	326,266	234,213	92,053	440,912	377,348	63,564	14,912
Total 500 Supplies and Materials	207,848	169,733	38,115	280,743	256,037	24,706	19,161
Total 600 Cost of Sales	1,032,643	975,665	56,978	1,395,462	1,369,891	25,571	-
Total 725 Amortization	1,956,560	1,982,997	(26,437)	2,644,000	2,644,000	-	-
Total 200 Expenses	5,980,409	5,938,262	42,147	7,958,901	8,037,609	(78,708)	34,073
Anvil Centre & Arts Services Group	4,092,164	3,766,766	325,398	5,407,222	4,946,036	461,186	34,073

As at September 30, 2023 Budget vs Actual to Date

\$1.89M Revenue budget split is \$1.62M or 86% **Anvil Conference Centre & Administration**, \$0.23M or 12% **Anvil Centre Theatre & Arts Services**, \$0.03M or 1% **Museum & Heritage Services** and \$0.01M or 1% **Art + Technology**. Q3 is indicating a \$0.28M surplus, which is primarily due to Canadian Heritage, BC Arts Council operating grants, Anvil Conference Centre Room Booking, Catered Food/Non Alcoholic Beverages and Audio Visual Rental revenue.

\$5.98M Expense budget split is \$3.97M or 67% **Anvil Conference Centre & Administration**, \$0.86M or 14% **Anvil Centre Theatre & Arts Services**, \$0.68M or 11% **Museum & Heritage Services** and 0.47M or 8% **Art + Technology**. Although, Q3 is indicating a positive variance of \$0.04M it is important to note the \$0.12M negative variance in Salaries/Benefits/Training, which is offset by planned savings in other budget lines, and consist with positive variance in revenues.

2023 Service Enhancements

No 2023 Service Enhancements to report on.

2023 Annual Forecast Budget vs Actual

\$2.55M Revenue budget split is \$2.19M or 86% **Anvil Conference Centre & Administration**, \$0.31M or 12% **Anvil Centre Theatre & Arts Services**, \$0.04M or 1% **Museum & Heritage Services** and \$0.01M or 1% **Art + Technology**. Annual forecast is signaling a \$0.54M surplus primarily due to grant and booking revenue.

\$7.96M Expense budget split is \$5.32M or 67% **Anvil Conference Centre & Administration**, \$1.14M or 14% **Anvil Centre Theatre & Arts Services**, \$0.89M or 11% **Museum & Heritage Services** and 0.61M or 8% **Art + Technology**. Annual forecast is signaling a negative variance of \$0.08M primarily due negative variance in Salaries/Benefits/Training, which is offset by planned savings in other budget lines, and consist with positive variance in revenues.

Planning Ahead

Out of the five areas of the *2023-2026 Strategic Priorities Plan*, the Anvil Centre and Arts Services plays a vital role in the area of Community Belonging and Connecting, and has a secondary or indirect involvement

in People-Centered Economy and the Reconciliation Strategic lens. Conference and Events Services is continuing to expand their market base, re-book events and manage cost of sales. Significant increases in the cost of food and services due to weather and environmental challenges has impacted the Conference & Events Department. Staff have implemented cost savings & revenue generating measures and are on track to exceed annual projected margins.

Q3 Operating Memo – BridgeNet

BU and Accounts	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
Total 150 Utility Rates	(136,178)	(226,753)	90,575	(191,800)	(282,375)	90,575	
Total 200 Sale of Services		(6,679)	6,679		(6,679)	6,679	
Total 250 Grants from Other Governments							
Total 300 Other Revenue		(37,686)	37,686	(23,095)	(37,688)	14,593	
Total 350 Contribution Revenue							
Total 100 Revenue	(136,178)	(271,118)	134,940	(214,895)	(326,742)	111,847	
200 Expenses							
Total 400 Salaries/Benefits/Training	151,749	127,547	24,202	197,622	177,565	20,057	
Total 450 Contracted Services	55,075	34,267	20,808	77,570	77,570	0	
Total 500 Supplies and Materials	39,423		39,423	52,600	50,000	2,600	
Total 725 Amortization	441,040	447,003	(5,963)	596,000	601,963	(5,963)	
Total 200 Expenses	687,287	608,817	78,470	923,792	907,098	16,694	
300 Fiscal Expenses							
Total 550 Interest	149,350	126,868	22,482	201,824	201,824	0	
Total 300 Fiscal Expenses	149,350	126,868	22,482	201,824	201,824	0	
Total BridgeNet Admin/Operations	700,459	464,567	235,892	910,721	782,180	128,541	

As At September 30, 2023 Budget vs Actual to Date

General

Overall, BridgeNet is favorable to Budget \$0.1M due to revenue growth from the increases in the number of multi-dwelling service locations recruited by Internet Service Provider of BridgeNet.

Payroll

At Q3 2023 BridgeNet has a Budget of 1 FTE and is fully staffed.

2023 Service Enhancement

Not applicable

2023 Annual Forecast Budget vs Actual

It is expected that the utility will exceed planned revenue by \$0.1M through to the end of year as it executes its operational improvement plan.

Planning Ahead

Planning ahead, BridgeNet will continue work on implementing its operational improvement plan, work with a new marketing consultant and achieving planned revenue improvements.

Q3 Operating Memo - Climate Action, Planning and Development Department (CAPD)

Climate Action, Planning, and Development Department as at September 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023	2023	2023 Annual	2023
	YTD Sep 30	YTD Sep 30	Var \$	Annual Budget	Annual Forecast	Budget vs Forecast	Enhancement
100 Revenue							
Total 200 Sale of Services	(12,745)	(78,556)	65,811	(16,993)	(82,804)	65,811	
Total 250 Grants from Other Governments	(425,681)	(315,288)	(110,393)	(567,575)	(457,182)	(110,393)	(517,575)
Total 300 Other Revenue	(3,101,778)	(7,304,213)	4,202,435	(4,135,877)	(7,747,842)	3,611,965	
Total 350 Contribution Revenue	(526)	(25,000)	24,474	(700)	(25,174)	24,474	
Total 100 Revenue	(3,540,730)	(7,723,057)	4,182,327	(4,721,145)	(8,313,002)	3,591,857	(517,575)
200 Expenses							
Total 400 Salaries/Benefits/Training	4,943,435	4,236,145	707,290	6,438,478	5,738,398	700,080	407,506
Total 450 Contracted Services	790,863	856,033	(65,170)	1,054,482	1,323,515	(269,033)	536,146
Total 500 Supplies and Materials	110,066	98,692	11,374	146,753	144,675	2,078	13,126
Total 650 Grants	160,574	72,003	88,571	214,100	125,529	88,571	
Total 200 Expenses	6,004,938	5,262,873	742,065	7,853,813	7,332,117	521,696	956,778
Total CAPD	2,464,208	(2,460,184)	4,924,392	3,132,668	(980,885)	4,113,553	439,203

As Of Sep 30, 2023 Budget vs Actual to Date

The Climate Action, Planning and Development Department is currently operating below the allocated budget in Q3, resulting in a net surplus of \$4.92M. This surplus can be attributed primarily to an increase in building, plumbing and planning permits (Other Revenue, 85%), as well as savings in salaries and benefits (14%). The majority of the surplus from Other Revenue has been generated by large one-time projects (i.e. Royal Columbian Hospital, Pier West, master plan applications, 96%).

Among the department's approximately 60 full-time equivalent positions, there are currently 2 vacancies in existing roles, 2 vacant positions that have been approved for enhancement in 2023 but were delayed due to a late budget approval, and 2 staff members on leave; note the department has 2 additional positions approved for 2023 which are temporary and funded through the capital plan. Efforts are underway to recruit suitable candidates to fill the vacancies.

The Contracted Services are experiencing a negative variance of around \$65K. It is important to note that the apparent positive variance of \$191K in consultants and studies is not indicative of real savings but rather stems from delays in invoicing. \$179K negative variance is related to rental and maintenance costs for the portable toilet which have been funded to date through a grant, which has been exhausted. Staff is working to identify alternative funding sources within the City and/or additional grant funding.

2023 Service Enhancement

Description	Amount	Status
RFT Senior Development Planner 3	\$ 143,300	Completed – position filled
TFT Affordable Housing Planning Analyst	\$ 104,036	Completed – position filled – note: funded through capital plan
Aux Building Clerk 3	\$ 39,557	Completed – position filled
TFT Affordable Housing Building Coordinator	\$ 117,100	In progress – pending posting – note: funded through capital plan
TPT Plumbing Inspector	\$ 55,000	Completed – position filled

RFT Livability Coordinator	\$ 103,470	Completed – position filled
TFT Livability Coordinator	\$ 56,470	Repurposed for Crises Response Team

2023 Annual Budget vs Forecast

At the end of the year, it is projected that the Climate Action, Planning and Development Department will operate below the allocated budget with a net surplus of \$4.11M. The surplus is primarily attributed to building, plumbing, and planning permit issuances, and savings in salary, benefits, and training expenses resulting from existing vacancies described above.

This net surplus is expected to be one-time only. Salary and benefits expenditures will balance as new recruitments are made and training and development activities are carried out for both existing and newly hired staff members. Anticipating that the majority of significant permits have already been issued, the Department does not project a notable further upsurge in building and plumbing permit collections for the remainder of the year, but that permit revenues are expected to return to original forecasts. The department will continue monitoring the trajectory of permit activities.

Planning Ahead

The Climate Action, Planning and Development department is fully dedicated to optimizing operational efficiency, providing exceptional services, and fostering constructive transformations within our community.

Council’s Strategic Priorities Plan, the City’s Housing Needs Report and related housing unit targets, and recent provincial announcements introducing significant modifications to legislated requirements for how the City plans for, approves and services housing have aligned. This has created a need for the department to restructure, reallocate and enhance resources. The department is actively addressing these changes by creating a Housing Division, creating a new Crises Response Team pilot, launching an evaluation of the Integrated Services Division, and relocating the Climate Action Division to a new department jointly with the Electrical Department. CAPD will continue to actively drive Climate Action initiatives and maintain a leadership role in supporting the advancement of Bold Steps #3 and #7, particularly through policy updates to align with the updated Building Code and the new Zero Carbon Step Code, and implementation of electric vehicle charging capability through new development.

Given the need to align with the Strategic Plan, meet the mandated Housing Needs Report housing unit targets, and the scope of work required to implement the near-term and ongoing requirements set out in the provincial legislation, the City requires resources related to housing policy, long range housing planning (e.g. OCPs, neighbourhood plans), vulnerable population housing, development and construction approvals, and affordable housing capital project management. The City also requires additional Climate Action Team resources in order to meet the City’s Climate Action targets.

These changes are being planned for as part of the 2024 capital and operating budget process, and will be reflected in the department’s budget. The City will explore all available avenues to offset the costs of the new division and pilot project, and related enhancement requests and project costs. This includes:

- Increasing the City’s ability to do accurate analysis for building permit fees, resulting in increased revenues per application.
- Funding the Climate Action Team through the Climate Action Levy in 2024.
- Seeking federal and provincial funding offsets, including – the CMHC Housing Accelerator Fund; a second intake of the Local Government Development Approvals Program which will distribute a total of \$10M to support digitization projects; the Province’s \$51M to support implementation

of their recent legislation, of which about \$710K could be disbursed to the City. As such funding is anticipated to be time-limited, the City should also develop and put in place a long-term funding strategy for these resources, many of which will be permanently required.

- Actively pursuing new grants to support social planning initiatives in 2024; the department has several grants currently in progress, including the completion of the Strengthening Communities grant by the end of 2023, with disbursement of the full grant amount expected in March 2024.
- Evaluation and reallocation of existing vacancies and staff functions, and advanced training to ensure maximum alignment with priority housing work.
- Launching the Housing Division with temporary secondments which operational needs were evaluated against provincially-legislated requirements.
- Supporting master plan development projects using contract services funded by the revenues directly generated for that purpose from master plan fees.
- Some temporary roles, particularly related to the Crises Response Team, with the intent that the work shift to external agencies in the future, as well as active advocacy to the Province to support this work directly during the pilot project.

The department recognizes the importance of digitization technologies in realizing development streamlining and is actively investing in their planning and implementation at the City. The Building Division has already made considerable progress advancing digital permitting, eliminating redundant steps, synchronizing reviews, investing in improved digital tools, and implementing online fee payments. As a result, the single-family building permit backlog has been completely eliminated, and the issuance timelines have decreased from 31 weeks to 12 weeks. Additional strategies are being employed to gain similar improvements in commercial and multi-family permitting times.

Ongoing investments in digitization technologies and review process updates are expected to further enhance efficiency and effectiveness across the department, and interdepartmentally. Work is underway, in collaboration with the IT department and relevant stakeholders, to develop and implement a more agile approach to project intake, tracking, review, issuance, inspections, and reporting; benefiting all stakeholders involved. The completion of the Phase 1 process planning report is anticipated by the end of Q4 2023, with initial implementation, further detailed process planning where required, and business case development to take place in 2024, potentially leading to capital funding requests in 2025.

Addressing staffing shortages continues to be a priority for CAPD to meet the increasing demands of customer service and regulatory requirements. Active recruitment of qualified professionals is underway. While progress has been made in filling key positions, challenges have been encountered due to limited availability of HR resources. The department is collaborating on HR for solutions, including the hiring of additional staff and engaging consultants, to address these challenges and ensure the necessary, and mandated, hires are made within required deadlines.

Q3 Operating Memo – Electrical Utility

BU and Accounts	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
Total 150 Utility Rates	(42,528,090)	(43,291,950)	763,860	(59,787,717)	(59,869,721)	82,004	
Total 200 Sale of Services	(3,398)	51,121	(54,519)	(50,957)	3,562	(54,519)	
Total 250 Grants from Other Governments							
Total 300 Other Revenue		(447,096)	447,096	(269,603)	(233,549)	(36,054)	
Total 325 Contributed TCA							
Total 350 Contribution Revenue	(1,813,115)	(945,788)	(867,327)	(2,450,154)	(2,450,154)	0	
Total 100 Revenue	(44,344,603)	(44,633,713)	289,110	(62,558,431)	(62,549,862)	(8,569)	
200 Expenses							
Total 400 Salaries/Benefits/Training	2,781,031	2,311,729	469,302	3,622,326	3,094,106	528,220	178,703
Total 450 Contracted Services	1,016,708	1,265,408	(248,700)	1,417,901	1,579,004	(161,103)	250,000
Total 500 Supplies and Materials	339,412	414,354	(74,942)	478,046	552,990	(74,944)	
Total 600 Cost of Sales		77	(77)		77	(77)	
Total 725 Amortization	2,621,820	2,657,250	(35,430)	3,543,000	3,578,430	(35,430)	
Total 750 Utility Purchases and Levies	24,011,245	24,469,393	(458,148)	33,818,655	33,818,655	0	
Total 775 Capital Loss							
Total 200 Expenses	30,770,216	31,118,211	(347,995)	42,879,928	42,623,262	256,666	428,703
Total 300 Fiscal Expenses	1,703,284	1,425,147	278,137	1,703,284	1,703,346	(62)	
Total Electrical Utility	(11,871,103)	(12,090,355)	219,252	(17,975,219)	(18,223,254)	248,035	428,703

As At September 30, 2023 Budget vs Actual to Date

General

Overall, the Electrical Utility is favorable to Budget by \$0.3M due to favorable revenue performance on utility rate revenue over the summer and staff vacancies offset by unfavorable timing impact on interest adjustments and contributions and higher electrical purchases from BC Hydro.

Revenue is favorable to Budget by \$0.3M due to:

- Utility Rate Revenue from consumption being favorable to Budget by \$0.8M due higher summer rate revenue; offset by
- -\$0.1M refund or credit on the sales of services
- -\$0.9M unfavorable Contribution Revenue variance due to Budget timing versus actual incurrence of revenue
- \$0.4M favorable interest revenue due to double booking that will be reversed in Q4

Expenses are unfavorable to Budget by -\$0.1 due to:

- \$0.5M favorable variance in salaries and benefits due to staff vacancies; offset by
- -\$0.5M unfavorable variance in Electrical Purchases due purchases over the summer
- -\$0.3M unfavorable variance in contracted services and supplies and materials; offset by
- \$0.2M favorable variance in interest expenses due to timing

Payroll

The utility currently lists 23.5 budgeted FTEs of which 4.5-roles are currently vacant (1 technologist, 1 electrical technician, 1 asset coordinator, 1 power line technician subforeman, and 0.5 FTE Safety Officer that is a 2023 service enhancement intended to be shared with Engineering).

2023 Service Enhancement

The Electric Utility successfully hired a Clerk Typist in May partially funded by service enhancement. The Electric Utility is in the process of hiring for a Safety Officer and Asset Coordinator.

2023 Annual Forecast Budget vs Actual

The Electrical Utility is forecasting at this time to be favorable to Budget by \$0.3M due to staff vacancies offset by increases in contracted services to cover resourcing needs. It is still anticipated that these roles are filled in a go-forward basis.

Planning Ahead

Planning ahead, the Electrical Utility will need to budget and review the operating impact for the new Queensborough Substation, reviewing financial impacts of long-term load supply and demand needs, along with planning the financial impacts of introducing Advanced Metering.

Q3 Operating Memo – Electrical Services

BU and Accounts	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
Total 200 Sale of Services	(3,030)	(87,854)	84,824	(44,440)	(129,264)	84,824	
Total 100 Revenue	(3,030)	(87,854)	84,824	(44,440)	(129,264)	84,824	
200 Expenses							
Total 400 Salaries/Benefits/Training	584,725	613,357	(28,632)	760,672	789,306	(28,634)	
Total 450 Contracted Services	70,309	51,778	18,531	95,013	93,521	1,492	3,213
Total 500 Supplies and Materials	107,690	250,724	(143,034)	145,524	372,220	(226,696)	4,922
Total 200 Expenses	762,724	915,859	(153,135)	1,001,209	1,255,047	(253,838)	8,135
Total Electrical Services	759,694	828,005	(68,311)	956,769	1,125,783	(169,014)	8,135

As At September 30, 2023 Budget vs Actual to Date

General

Electrical Services is unfavorable to Budget due to unfavorable variances in Supplies and Materials that are slightly offset by higher than expected revenue in Sales of Services. On review, this line item has average \$235k of spending in the past 5-years so the department will over spend budget. This will be taken into account in the Operational Budget moving forward.

Unfavorable Contract Services variance will continue to the end of the year.

Payroll

Electrical services lists 6-FTE budgeted. The department is currently fully-staffed.

2023 Service Enhancement

Not applicable

2023 Annual Forecast Budget vs Actual

Ongoing Supplies and Materials variances due to Budget not aligning with past spending.

Planning Ahead

Planning ahead, the Electrical Services will be seeking budget enhancements to align Annual Budget with annual spending over the past-5 years. The department will also be exploring process changes to bring Supplies and Materials expenses under control. Changes include processes to assign more specific accountability to Supplies and Materials expenses.

Q3 Operating Memo - Engineering (General Fund)

Engineering Department (General Fund) as at Sep 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast	Enhancement
Total 200 Sale of Services	(3,335,298)	(4,178,831)	843,533	(4,507,157)	(5,350,695)	843,538	-
Total 250 Grants from Other Governments	(676,994)	(676,278)	(716)	(902,660)	(884,805)	(17,855)	(155,000)
Total 300 Other Revenue	(2,278,452)	(2,523,212)	244,760	(3,076,223)	(3,272,679)	196,456	50,000
Total 350 Contribution Revenue	(19,311)	(31,286)	11,975	(25,758)	(31,486)	5,728	-
Total 100 Revenue	(6,310,055)	(7,409,607)	1,099,552	(8,511,798)	(9,539,665)	1,027,867	(105,000)
Total 400 Salaries/Benefits/Training	12,098,240	11,688,679	409,561	15,758,234	15,353,655	404,579	182,070
Total 450 Contracted Services	2,108,249	1,720,342	387,907	2,839,679	2,685,885	153,794	492,168
Total 500 Supplies and Materials	2,779,262	2,991,915	(212,653)	3,758,009	3,899,594	(141,585)	412,113
Total 600 Cost of Sales	-	12,479	(12,479)	-	12,480	(12,480)	-
Total 700 Insurance and Claims	235,505	376,782	(141,277)	318,250	459,521	(141,271)	-
Total 725 Amortization	6,968,580	7,062,750	(94,170)	9,417,000	9,511,170	(94,170)	-
Total 200 Expenses	24,189,836	23,852,947	336,889	32,091,172	31,922,305	168,867	1,086,351
Engineering Department (General Fund)	17,879,781	16,443,340	1,436,441	23,579,374	22,382,640	1,196,734	981,351

As at Sep 30, 2023 Budget vs Actual to Date

The Engineering Department is reporting a net favorable variance of \$1,436K largely due to better than expected Parking Revenues and savings in ongoing staff vacancies. As of the end of Q3, the Engineering Department has 17 vacancies, which are partially being managed through contracted services, overtime and auxiliary staff.

The Operations Division is experiencing an increase in the volume and complexity of services offered, particularly in areas of street cleanliness and customer service call response, leading to increased spending despite the ongoing vacancy concerns.

The Engineering Department General Fund supports the delivery of core services to the City, including the operations and maintenance of buildings and properties, utility, sanitation and streets operations delivered by Engineering Operations, transportation planning, design and operations, Q to Q Ferry, asset management, , engineering development services, design and construction, engineering environmental services, customer service and administrative services. Operating Budget challenges faced by the Engineering Department are significant in scope, scale and complexity. The Department has been facing rising costs associated with maintaining and operating existing buildings and properties, streets and sidewalks, and other aging assets, while also responding to the needs of a growing inventory of assets, all in a context of inflationary, labour market and supply chain challenges.

2023 Service Enhancements

Description	Amount	Status
Street Cleaning Services - Grant	\$ 155,000	Not yet secured
Street Use Permits Revenue Increase	\$ 50,000	Uncertain that this additional revenue will be achieved within this calendar year due to slightly lower than projected development and staff changes.
Q to Q Ferry Fare Revenue Reduction	\$ 100,000	Actuals are trending as anticipated

Street Cleaning Services Specialist	\$ 82,000	Reclassified; Superintendent hired in November
Street Cleaning Operations Supervisor - Permanent Free-Standing Toilet	\$ 100,000	To be posted in 2024
Contracted Services - Permanent Free-Standing Toilet	\$ 125,000	Delayed to 2024 due to project and supply chain challenges.
Contracted Services - Street Cleaning Services	\$ 180,000	Actuals are trending as anticipated; reimbursement from BC Housing has been sought
Contracted Services and Supplies & Materials - Engineering Operations	\$ 400,000	Actuals are trending as anticipated

2023 Annual Forecast Budget vs Actual

For year-end, staff are forecasting a surplus of \$1,197K. This surplus is anticipated to be driven by the forecasted increase in parking revenue and development services fees, which is predicted to offset the increasing facility utility charges and scheduled and unscheduled maintenance expenses. Utility consumption and costs have steadily increased over the past several years and continue to climb as core service areas grow (buildings are programmed to be operational for longer hours, accommodating more people – staff and public). Unscheduled Maintenance costs continue to climb year over year as the facility portfolio ages. The best way to control unexpected unscheduled maintenance is by improving scheduled maintenance practices. While staff are working toward establishment of more robust scheduled maintenance practices, including securing a sufficient and sustained annual budget for preventive maintenance, it is anticipate that until improved practices are well established we will continue to see additional costs in that area across the portfolio. Massey Theatre's actual operating costs continue to exceed budget estimates for this recently acquired asset.

Planning Ahead

The Operating Budget challenges being faced by the Engineering Department are significant in terms of scope, scale and complexity. Summarized below are some of the key areas of concern for the Engineering department:

1. Operations – Due to various factors, including a significant increase in the volume and complexity of street cleaning in commercial areas, weather-related operational pressures, and increased cleaning and maintenance needs for greenways, parks and open spaces, compounded by high staff turnover and an inability to act quickly on filling vacancies, it is increasingly difficult for Operations to deliver high quality, reliable levels of service.
2. Civic Buildings & Facilities – The City has seen an increase in the number of buildings that require maintenance, greater complexity and cost of maintenance, and various staffing challenges, including vacancies, labour relations issues, and long-term medical leaves. Aging infrastructure, climate-related operational pressures, and legacy Divisional structure and budget challenges compound this. Staff are working toward improved scheduled and preventive maintenance practices, and stable funding.
3. Transportation – the City is committed to delivering high quality people-centred public realm and sustainable transportation options. There are meaningful operational implications associated with maintaining greenway routes and public gathering spaces like plazas and parklets to a high standard. As we continue to add this type of infrastructure across the City, the ongoing staff

shortages in Operations makes it increasingly challenging to maintain our priority transportation infrastructure to a high standard. Another significant transportation challenge is the Q to Q Ferry. With a nearly full schedule in 2023, ridership has recovered nearly to pre-pandemic levels, but we have been unable to attract substantial third-party funding to offset the cost of delivering the service, so it remains heavily subsidized by the City.

4. Downtown Livability – The ongoing challenges being experienced Downtown, and in other commercial areas, continues to present challenges to our staff, and is adding pressure to our operating budget. The challenges are a result of the increased need for street cleaning and removal of discarded materials, including human waste and drug-related waste.
5. Human Resources – finally, despite ongoing effort and commitment to supporting our HR needs, it is evident that HR is also overwhelmed, and as a result Engineering continues to see high rates of vacancy.

Staff are working with HR to prioritize and find efficient and innovative means to address outstanding recruitments. In addition, third-party consultants, contractors and auxiliary staff are engaged to supplement services as needed.

Q3 Operating Memo - Finance

Financial Services Department as at September 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023	2023	2023 Annual	2023
	YTD Sep 30	YTD Sep 30	Var \$	Annual	Annual	Budget	Enhancement
				Budget	Forecast	vs Forecast	
100 Revenue							
Total 200 Sale of Services	0	(1,225)	1,225	0	(1,225)	1,225	
Total 100 Revenue	0	(1,225)	1,225	0	(1,225)	1,225	0
200 Expenses							
Total 400 Salaries/Benefits/Training	3,067,601	2,837,869	229,732	3,992,207	3,750,720	241,487	
Total 450 Contracted Services	112,612	135,467	(22,855)	152,177	164,523	(12,346)	5,149
Total 500 Supplies and Materials	350,108	358,229	(8,121)	473,138	493,753	(20,615)	16,003
Total 700 Insurance and Claims	2,898,826	2,778,357	120,469	3,917,333	3,823,864	93,469	
Total 200 Expenses	6,429,147	6,109,922	319,225	8,534,855	8,232,860	301,995	21,152
Total Finance	6,429,147	6,108,697	320,450	8,534,855	8,231,635	303,220	21,152

As At September 30, 2023 Budget vs Actual to Date

The Financial Services Department is currently under budget as at September 30th, with a year to date net surplus of \$320.5K. The surplus is primarily from savings in salaries and benefits and lower than anticipated damage claim expenditures, which are offset by higher trending contracted services and supplies and materials costs. The Financial Services Department employs approximately 35 full-time equivalent positions, of which three are vacant and one staff member is on an on gradual return-to-work schedule. Financial Services continues to utilize temporary and auxiliary staff to maintain service levels and support the existing staff.

2023 Service Enhancement

There were no specific service enhancement in 2023. Inflation adjustments to contracted services, supplies and materials are trending to be fully spent.

2023 Annual Forecast Budget vs Actual

For year end, the Financial Service Department is forecasted to be under budget with a net surplus of \$303.2K. Anticipated saving Salary/Benefits/Training savings from vacancies are expected to be continue as the department plans to hold vacancies in support of the Advanced Metering Infrastructure (AMI) project.

The City has experienced a higher than planned insurance policy renewal cost for July 2023 to June 2024 coverage, which is anticipated to be offset by lower than planned damage claim expenditures in the current fiscal year. The increases in insurance costs can be attributed to increased insurance market risk factors from global events and increased City assets valuation. Budgetary pressure in Supplies and Materials are expected to continue primarily due to increased printing and postage cost associated with property tax and utilities billing.

Planning Ahead

Financial Services Department will continue to hold staff vacancies as we support the AMI project implementation, with strategies to maintain level of services through utilizing auxiliary staffing to backfill vacancies as needed. Budgetary pressure from increased printing and postage cost associated with property tax and utilities billing are expected to continue, as the department continues to explore cost reduction opportunities.

For 2024, Financial Services has requested for additional budget funding to support the increased insurance policy renewal cost and additional insurance premium cost for the onboarding of the new tāmāsewētū Aquatic and Community Centre. An additional staffing resource has also been requested for the department to provide sufficient oversight on the growing financials of the City, and ensure the City's financial reporting are meeting new Public Sector Accounting Standard requirements.

Q3 Operating Memo – Fire Department

	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
200 Sale of Services	(9,694)	(70,028)	60,334	(13,100)	(70,808)	57,708	-
250 Grants from Other Governments	(14,999)		(14,999)	(20,000)	(20,000)		(20,000)
300 Other Revenue	(29,180)	(47,558)	18,378	(39,431)	(131,518)	92,087	-
350 Contribution Revenue					(57,125)	57,125	-
Total 100 Revenue	(53,873)	(117,586)	63,713	(72,531)	(279,451)	206,920	(20,000)
200 Expenses							
400 Salaries/Benefits/Training	13,031,686	12,799,604	232,082	16,982,210	17,163,324	(181,114)	274,049
450 Contracted Services	629,981	629,866	115	851,325	864,684	(13,359)	129,092
500 Supplies and Materials	236,052	316,616	(80,564)	318,987	415,941	(96,954)	62,243
725 Amortization	476,560	483,003	(6,443)	644,000	644,000		-
Total 200 Expenses	14,374,279	14,229,089	145,190	18,796,522	19,069,949	(273,427)	465,384
Total Fire Services	14,320,406	14,111,503	208,903	18,723,991	18,808,498	(84,507)	445,384

As At September 30, 2023 Budget vs Actual to Date

The Fire Department is tracking under budget in Q3 with a net surplus of \$208.9K, primarily from savings in salaries and benefits from vacant positions and city staff EOC training and conferences that take place in the 4th quarter. The favorable variance in revenue are the result of Cost Recovery from the Senior Fire Management Wildfire Deployments, callouts and technical rescue training program and recoverable from the Province for the emergency support services. Approximately \$93K spending in supplies and materials relates to the one-time small diagnostic equipment for the Emergency Medical Responder program (\$28K), the one-time funding from the UBCM grant (\$20K), and the Accelerated Heat Plan (\$45K).

Out of approximately 102.5 full-time equivalent positions, the department has 7 vacancies in existing positions for Q3; 3 in Fire Administration and 4 in Fire Operations. The 0.5 vacancy from the approved 2023 enhancement position has been filled in April. Two full-time vacancies in Fire Administration are currently filled by acting staff from Fire Operations and recruitment has been completed for the vacancies for the Deputy Chief Positions and the Executive Assistant vacancy for Fire Administration. Recruitment for vacancies in Fire Operations and Exempt Management positions are expected to be completed by Q4 and will alleviate some overtime pressures.

2023 Service Enhancement

Description	Amount	Status-Q3
One-time TPT (910 hours) Chief Equity Officer for the DEIAR Framework	\$ 50,000	Completed - position filled in April and expected to work till the end of 2023
One-time project management and various other consultant scope work	\$ 15,000	In progress - expected to carry over to Q2 2024 due to service interruption.
One-time ESS Volunteer Coordinator	\$ 31,100	Completed - funding to extend an existing position (budgeted in Corporate Contingency)
One-time Emergency Medical Responder (EMR) as follows:		
-Contracting for instructors for priority care	\$ 9,000	Completed - Most of it spent in Q2
-License fee for EMR	\$ 29,500	In progress - expected to be spent in Q4
-EMR diagnostic equipment	\$ 23,330	Completed - procurement completed in Q2
-Staffing costs of fire fighters are paid at straight time per union agreement	\$ 221,568	In progress - overtime from Fire Fighters for the EMR project is expected to be 85% completed by Q4. Anticipating savings of \$80K by the end of the project.
One-time programmable communication tool fromTwilio to aid residents in response to an emergency or extreme weather event	\$ 10,000	Completed in Q3 with \$9K savings
One-time UBCM Grant and spending for Emergency Support Services	\$ 20,000	In progress - spending is completed in Q3 and the grant is expected to be received in Q2 2024
On July 10th, 2023 Council approved the Accelerated Heat Plan with a budget of \$268,000 funded from the Climate levy, collected from electric utility bills, in the Climate Action Reserve Fund.	\$ 268,000	In progress - spending is started in Q3 expected to be finished in Q3 2024. The estimated total spending in 2024 is expected to be \$170K and total spending to be \$237K, about \$31K less than the budget amount.

2023 Annual Budget vs Forecast

For year-end, Fire is expected to be over budget with a net deficit of \$84.5K. Salary/Benefits/Training savings from vacancies are expected to be reduced with new recruitments and training and development activities occur in the 4th quarter. The other budgetary pressure on salaries and benefits include unbudgeted payment for a retiring officer till mid-year, an expected \$31.1K payment for an ESS volunteer coordinator whose budget is in corporate contingency, an expired collective agreement and coverages for staff on long-term illness. Overtime cost recovery from firefighter’s Wildfire Deployments (\$70K) will offset some overtime expenses. Contracted Services and Supplies and Materials are at risk of overspending primarily due to spending for an increase in emergency response for the opioid crisis and

other unbudgeted city emergencies in the Emergency Support Services such as the Hospital Street fire which is recoverable from the Province and the Accelerated Heat Plan which is funded through reserve.

Planning Ahead

Staff and resources have been deployed to address the Accelerated Heat Plan initiative, Emergency Medical Responder training and work to mitigate the impacts of the opioid, mental health and housing crises. Staff overtime was incurred during Q3 to complete EMR training, fill roster vacancies created from backfilling Exempt Manager positions and seasonal staff sick leaves. A review to produce concrete recommendations to align the department with the principles of the DEIAR framework is well underway with preliminary results reviewed in Q3. Development of short-term Fire Department Strategic Plan is expected to be completed with a longer-term Master Plan to be completed in early 2024. Q3 has seen some Cost Recovery from Senior Fire Management Wildfire Deployments and financial recoveries from large-scale structure fire incidents.

Q3 Operating Memo – General Government

General Government as at September 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023	2023	2023 Annual	2023
	YTD Sep 30	YTD Sep 30	Var \$	Annual	Annual	Budget	Enhancement
				Budget	Forecast	vs Forecast	
100 Revenue							
Total 100 Taxation Revenue	(104,546,307)	(104,092,394)	(453,913)	(105,142,045)	(104,947,525)	(194,520)	
Total 200 Sale of Services	(117,544)	(100,200)	(17,344)	(158,845)	(181,501)	22,656	
Total 250 Grants from Other Governments	(16,322,192)	(15,900,000)	(422,192)	(16,497,590)	(16,235,906)	(261,684)	
Total 300 Other Revenue	(7,812,612)	(23,418,613)	15,606,001	(10,557,583)	(43,104,584)	32,547,001	
Total 350 Contribution Revenue	(5,174,123)	(4,777,769)	(396,354)	(6,908,275)	(6,479,134)	(429,141)	
Total 100 Revenue	(133,972,778)	(148,288,976)	14,316,198	(139,264,338)	(170,948,650)	31,684,312	0
200 Expenses							
Total 400 Salaries/Benefits/Training	(1,848,961)	160,813	(2,009,774)	(2,469,601)	3,972,277	(6,441,878)	
Total 450 Contracted Services	400,605	151,811	248,794	539,839	273,045	266,794	126,469
Total 500 Supplies and Materials	275,468	26,999	248,469	368,807	56,587	312,220	258,849
Total 650 Grants	733,836	670,396	63,440	978,450	915,010	63,440	
Total 725 Amortization	400,340	405,747	(5,407)	541,000	546,407	(5,407)	
Total 200 Expenses	(38,712)	1,415,766	(1,454,478)	(41,505)	5,763,326	(5,804,831)	385,318
300 Fiscal Expenses							
Total 550 Interest	3,595,206	4,614,990	(1,019,784)	4,858,387	5,152,704	(294,317)	
Total 300 Fiscal Expenses	3,595,206	4,614,990	(1,019,784)	4,858,387	5,152,704	(294,317)	0
Total General Government	(130,416,284)	(142,258,220)	11,841,936	(134,447,456)	(160,032,620)	25,585,164	385,318

As At September 30, 2023 Budget vs Actual to Date

The General Government Department is tracking under budget as at September 30th by \$11.8M, due to a portion of the insurance settlement proceeds received for the loss of the Westminster Pier Park, higher than planned carbon credits sale proceeds, and favourable interest income in the current high interest rate environment. The favourability is partially offset by a planned \$2.0M staff vacancy savings to-date across the organization where actual savings are recognized by the individual departments.

2023 Service Enhancement

Description	Amount	Status
Corporate Contingency	\$ 112,000	Staff will continue to monitor expenditure on incurred for Inflation/Extreme Events across the organization for the utilization of the Corporate Contingency; Actual expenditures are recognized at the individual departments
New Staff IT Equipment, Furniture, and Training	\$ 285,000	Ongoing training and purchase of IT equipment and furniture for onboarding new staff; Actual expenditures are recognized at the individual departments

2023 Annual Forecast Budget vs Actual

For year end, the General Government Department is forecasting to be under budget by \$26.6M, mainly due to insurance settlement proceeds for the loss of the Westminster Pier Park. In June 2023, the insurers provided a final written settlement offer of \$30.0M, inclusive of \$10.0M that had been interim advanced, with the remainder of the insurance settlement proceed of \$20.0M to be fully received by year-end.

Interest income is also anticipated to be higher than planned by \$6.1M by year-end in the current high interest rate environment, which are partially offset by higher debt interest expense and a planned surplus of \$2.6M for 3% staff vacancies budgeted across the organization, where actual savings will be recognized in the individual departments.

Staff are also forecasting an additional \$3.7M financial impact beyond the original budgeted amount from the new three-year collective agreement settlement with the Canadian Union of Public Employees, Local 387.

Planning Ahead

The current practice of budgeting for 3% of salaries as planned vacancies will be reviewed as staff looks to be more proactive in filling vacancies and providing transitional support for planned retirements. The estimated financial implications of the three-year collective agreement settlement are beyond the original budgeted amount, and staff will be presenting the estimated one-time and ongoing financial impacts as part the 2024 operating service enhancement requests.

Q3 Operating Memo – Human Resources (HR) and Information Technology (IT)

HR & IT Department as at September 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023	2023	2023	2023
	YTD Sep 30	YTD Sep 30	Var \$	Annual	Annual	Budget	Enhancement
				Budget	Forecast	vs Forecast	
100 Revenue							
Total 200 Sale of Services	(3,700)		(3,700)	(5,000)	0	(5,000)	
Total 100 Revenue	(3,700)	0	(3,700)	(5,000)	0	(5,000)	0
200 Expenses							
Total 400 Salaries/Benefits/Training	4,920,920	4,141,961	778,959	6,414,916	5,586,326	828,590	542,783
Total 450 Contracted Services	229,971	244,183	(14,212)	310,777	355,038	(44,261)	10,509
Total 500 Supplies and Materials	1,267,213	1,365,523	(98,310)	1,712,447	1,718,579	(6,132)	162,740
Total 725 Amortization	1,078,180	1,092,753	(14,573)	1,457,000	1,471,573	(14,573)	
Total 200 Expenses	7,496,284	6,844,420	651,864	9,895,140	9,131,516	763,624	716,032
Total Human Resources & Information Technology	7,492,584	6,844,420	648,164	9,890,140	9,131,516	758,624	716,032

As At September 30, 2023 Budget vs Actual to Date

The HR and IT department is showing an overall favourable variance in spending by \$0.65M, primarily from savings in salaries and benefits which are offset by higher trending expenses in several areas: *Recruitment Expenses* for 4 senior management level vacancies across the organization; *Employee Assistance Program* due to an increase in the use of this service; *Consulting Services* to support compensation and benefits review; and *IT Supplies and Materials* costs due to the software licensing costs across the organization.

There are 47 full-time equivalent (FTE) positions, split between **HR** having 24 positions and **IT** having 23 positions. There are 5 vacant positions within the HR and IT department.

2023 Service Enhancement

Description	Amount	Status
Learning and Development Specialist 18-month TFT	\$ 28,415	Completed – funding to extend existing position
TFT Workplace Wellness and Ability Management Specialist	\$ 28,865	On hold – enhancement requested in 2024 budgets to utilize Contracted Services that would provide additional efficiency and value.
HR Recruiter	\$ 116,854	Completed – RFT position filled in June 2023.
HR Assistant	\$ 82,265	Completed – TFT position filled in January 2023.
2022 Service Enhancement Carryover Training - Diversity, Equity, Inclusion, and Anti-Racism Training; Sanctuary City	\$ 25,000	In progress – training sessions to be provided for staff throughout 2023
RFT IT Project Manager	\$ 126,669	Completed – RFT position filled in August 2023.
RFT IT Security Administrator	\$ 129,169	On hold – enhancement requested in 2024 budgets to utilize Contracted Services that would provide the City with 24/7 security monitoring and remediation with a team of experts.
Business Systems Analyst/Programmer	\$ 126,369	Completed – position previously filled and employee has transitioned to a vacant RFT role

Description	Amount	Status
IT Support Clerk (administrative assistant) Extension	\$ 20,000	Completed – Position filled
Computer Systems Maintenance Enhancement	\$ 100,000	Monitoring – Actuals trending higher than budget

2023 Annual Forecast Budget vs Actual

For the year-end, HR and IT is expected to have net savings in spending by \$0.76M. The savings are mainly due to the vacancies in the department. Recruitments are underway for a portion of these vacancies which will offset a portion of these savings. The budgetary pressure is likely to continue on Contracted Services and Supplies and Materials for risk of overspending, primarily due to increasing software and network maintenance costs.

Planning Ahead

The HR and IT department plays a crucial role in supporting all other departments to accomplish the outcomes provided in the *2023-2026 Council Strategic Priorities Plan*. In the recent past, considering the changes in the labour market and IT infrastructure environment, the staff will pivot and work collaboratively with the other departments to provide services that are in the best interest of the organization, as well as be strategic in implementing internal controls to yield operational savings and effectiveness where practical to do so.

Q3 Operating Memo – Library

Library Department as at Sep 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
200 Sale of Services	(23,088)	(28,146)	5,058	(31,200)	(35,476)	4,276	
250 Grants from Other Governments	(150,340)	(569,302)	418,962	(150,340)	(159,742)	9,402	
300 Other Revenue		(170)	170		(169)	169	
350 Contribution Revenue	(28,490)		(28,490)	(38,500)	(38,500)		(31,000)
Total 100 Revenue	(201,918)	(597,618)	395,700	(220,040)	(233,887)	13,847	(31,000)
200 Expenses							
400 Salaries/Benefits/Training	2,684,665	2,233,870	450,795	3,498,347	3,043,154	455,193	4,500
450 Contracted Services	84,850	65,675	19,175	114,663	103,239	11,424	3,823
500 Supplies and Materials	610,162	522,630	87,532	824,545	753,639	70,906	57,557
725 Amortization	522,440	529,497	(7,057)	706,000	706,000		
Total 200 Expenses	3,902,117	3,351,672	550,445	5,143,555	4,606,032	537,523	65,880
Total Library	3,700,199	2,754,054	946,145	4,923,515	4,372,145	551,370	34,880

As At September 30, 2023 Budget vs Actual to Date

The Library Department is tracking under budget in Q3 with a net surplus of \$946.1K, primarily because of \$450.7K savings in salaries and benefits. This savings is mostly due to vacant positions, with some being back-filled at a lower rate. The Library also received an additional \$409.6K special one-time “Library Enhancement Grant” from the Province that may be spent over three years (2023-2025) to support local library service enhancement.

Out of approximately 31.6 full-time equivalent positions, the department has 8 full-time positions that were vacant for most of first three quarters. As well, the Chief Librarian position became vacant in June. Recruiting a new Chief Librarian is underway and we expect a new Chief Librarian in place early in 2024. The library is able to backfill for the most critical duties by more junior staff or temporary assignments for auxiliary staff. Some backfilling of 6 of the positions will continue to the end of the year, while recruitment for other positions are underway and anticipating 4 positions to be filled by the end of Q4.

2023 Service Enhancement

Description	Amount	Status
Librarian 2	\$ 103,275	In progress - expected to be filled by end of the year
Librarian 2	\$ 107,687	Temporary filled for one year contract- contract ends May 2024
Library Assistant 2	\$ 74,383	In progress - position backfilled by auxiliary person in Q1 and Q2. It will continue to be backfilled until it is filled. Expected to be filled by Q4, 2023
Library Assistant 2	\$ 74,383	In progress - position backfilled by auxiliary person in Q1 and Q2. It will continue to be backfilled until it is filled. Expected to be filled by Q4, 2023
Library Assistant 2	\$ 74,383	In progress - position backfilled by auxiliary person in Q1 and Q2. It will continue to be backfilled until it is filled. Expected to be filled by Q1, 2024
Training and education of the permanent positions	\$ 4,500	In progress - expected to be spent by year-end
Offset by Auxiliary Budget	\$ (438,611)	Offsets the above 5 permanent positions from vacant part-time positions so no net impact to budget
Balance of the one-time \$80K Provincial grant for COVID-19 recovery received in 2022 to be spent on small equipment in the supplies section in 2023	\$ 31,000	In progress - expected to be spent by year-end and offset by grant

2023 Annual Budget vs Forecast

For year-end, the Library is expected to be under budget with a net surplus of \$551.3K. Salary and Benefits savings from vacancies from Q3 are expected to be carried forward to year-end. The Library is not planning to spend the special one-time “Library Enhancement Grant” from the Province of \$409.6K in 2023. The grant will be removed from the annual forecast to defer the spending to 2024-2025.

Planning Ahead

Staffing levels continue to be in flux with retirements and resignations. Managing staff vacancies and resulting additional workloads for existing staff is an ongoing challenge. Our top priority is to ensure seamless delivery of core library services and the new work directions identified by our strategic plan already underway.

Staff development and training remains a high priority, not only as part of recruitment and onboarding activities, but to better support staff as we navigate the challenges of serving our community with the continued presence of mental health and substance abuse incidents. Staff themselves are not immune to

the stressors facing our community on a personal and professional level and we are working with Human Resources Department to better support staff.

The Library is actively monitoring the growing population of displaced individuals in and around library spaces, including the rise in open drug use and mental health incidents. Library staff are working with other City departments and local service agencies to increase support for library staff and provide options for those vulnerable individuals amenable to assistance. In addition, Library staff are reviewing how other libraries are responding to similar activities as part of a review of library services, barriers to service, and the competing uses of library spaces by a diverse community.

The acquisition of an electric car to help the library's outreach and community work is delayed to 2024 due to market availability.

Q3 Operating Memo – Parks and Recreation

Parks and Recreation as at September 30, 2023	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual	2023
	YTD Sept 30	YTD Sept 30	Var \$	Budget	Forecast	vs Forecast	Enhancement
Total 200 Sale of Services	(2,538,836)	(3,478,819)	939,983	(3,430,820)	(4,336,952)	906,132	-
Total 250 Grants from Other Governments	(15,540)	(24,700)	9,160	(21,000)	(25,740)	4,740	-
Total 300 Other Revenue	(249,824)	(137,793)	(112,031)	(337,600)	(141,694)	(195,906)	-
Total 350 Contribution Revenue	(5,081)	-	(5,081)	(6,800)	(1,719)	(5,081)	-
Total 100 Revenue	(2,809,281)	(3,641,312)	832,031	(3,796,220)	(4,506,105)	709,885	-
Total 400 Salaries/Benefits/Training	10,637,467	11,736,357	(1,098,890)	13,849,383	15,021,331	(1,171,948)	-
Total 450 Contracted Services	440,431	331,558	108,873	593,913	485,068	108,845	106,187
Total 500 Supplies and Materials	1,082,899	1,112,989	(30,090)	1,462,234	1,465,105	(2,871)	49,282
Total 600 Cost of Sales	202,908	91,016	111,892	274,200	162,309	111,891	-
Total 725 Amortization	2,734,300	2,771,253	(36,953)	3,695,000	3,695,000	-	-
Total 200 Expenses	15,098,005	16,043,173	(945,168)	19,874,730	20,828,813	(954,083)	155,469
Parks and Recreation	12,288,724	12,401,861	(113,137)	16,078,510	16,322,708	(244,198)	155,469

As at September 30, 2023 Budget vs Actual to Date

\$2.81M Revenue budget split is \$0.41M or 14% **Parks** and \$2.40M or 86% **Recreation**, with Q3 actuals indicating a \$0.83M surplus. Positive variance in **Recreation** sale of services is primarily due to better than forecasted program registrations such as swimming, gymnastics, camps, rentals along with steady drop-in, concession sales and active pass sales revenues. **Parks** sale of services from rentals such as grass and turf fields are also tracking better than expected.

During 2023, unique circumstances led to unfavorable variance in Filming revenues. Job action in the film industry by the Writers Guild of America and the Screen Actors Guild resulted \$0.1M decrease in filming licenses, street occupancy and administration fees revenue.

The unplanned closure of Canada Games Pool (CGP) in late 2021 required implementation of service delivery alternatives, which included enhanced reliance on community outdoor pools, relocating the CGP fitness centre and group fitness programs. No negative budget variances have been identified in **Recreation** drop in, program registrations, rentals and membership revenues due to the above noted service delivery alternatives.

\$15.10M expense budget split is \$5.98M or 39% **Parks** and \$9.11M or 61% **Recreation**, with Q3 actuals indicating a \$0.95M deficit. Negative variance primarily due to uptick in **Recreation** auxiliary salaries, required to support positive variance in **Recreation** revenues from swimming, gymnastics, camps, rentals along with steady drop-in and membership revenues. As at Q3, there are 10 staff vacancies (Parks - 2, Recreation - 8) and 5 Recreation staff on leave for a total staff compliment of 105. Recruitment is underway for vacancies as supplemented by auxiliary employee backfill. This approach is sustainable over the short term, it does leave the department vulnerable as the pool of available staff is drawn down and labour market forces continue to make staff recruitment challenging.

2023 Service Enhancements

Description	Amount	Status
Civic Observances, Celebrations, and Community Partnerships	\$80,000	The temporary position has been filled in Q2 2023.
Arboriculture Operations Support	\$87,500	Budget to be committed in Q4 2023, staff will monitor the spending.

2023 Annual Forecast Budget vs Actual

\$3.80M Revenue budget split is \$0.55M or 14% **Parks** and \$3.25 or 86% **Recreation**, with the annual forecast signaling \$0.71M surplus. Considering seasonality, **Recreation** is anticipating a sustained uptick in program registrations, stable concession sales, drop-in and active pass sales revenues. **Parks** rentals are anticipated to track on budget.

\$19.87M Expense budget split is \$7.88M or 39% **Parks** and \$11.99M or 61% **Recreation**, with the annual forecast signaling a \$0.95M deficit largely due to Recreation auxiliary salaries required to support positive variance in **Recreation** revenues. Positive variance in **Recreation** contracted services and along with cost of sales anticipated to continue through Q4.

Planning Ahead

Out of the five areas of the 2023-2026 Strategic Priorities Plan, the Parks and Recreation department plays a crucial role in the area of 'Community Belonging and Connecting', and has a secondary or indirect involvement in the other strategic initiatives as well.

Staff will continue to closely monitor and manage the service offerings. Staff will be putting additional measures in monitoring the services that are pivoted/customized with the change in circumstances, such as ongoing capital projects. Recruitment efforts will remain ongoing, yet strategic in order to yield operational savings where practical to do so.



New Westminster Police Department

REPORT *Financial Services*

To: Mayor Johnstone, Chair, and Members
New Westminster Municipal Police Board
Open Meeting

Date: November 21, 2023

From: Jacqueline Dairon
Financial Services

Subject: September 30, 2023 Q3 Financial Report and Forecast

RECOMMENDATIONS

That the New Westminster Police Board receive the September 30, 2023, Financial Report and Forecast for information.

PURPOSE

The purpose of this report is to provide information to the Board on the Q3 September 30, 2023, financial report and provide a financial forecast for 2023.

DISCUSSION

As at September 30, 2023, the police department is currently under budget by \$900K. However, the department anticipates this favorable budget variance will decrease and expect to be on budget for 2023. The following report will provide an overview of the factors that contribute to the budget variances, elaborate on the reasoning behind the projections, and identify potential risks that could influence the departments' financial results in 2023.

Salary and Benefits

The salaries and benefits accounts have actualized in Q3 \$534K under budget, the budget variance in Q2 was a favorable variance of \$600K. Since the closing of September month end, additional information has been received regarding the CUPE 2022-2024 agreement. The forecast for 2023 now incorporates these updated estimates and sets these increases as the base increase estimate for all staff within the department. This change is resulting in an updated estimate that salary and benefits will be over budget by 1.5% or \$464K. Over the summer months we saw overtime creep back up from a 1% variance to 12% variance but it is important to note that a large portion of this overtime was recovered via grants and secondments. Benefits will continue to be a risk as the exact amount can vary year to year depending on the final actuarial report in the New Year.

Contracted Services

There is a small variance currently within the contracted services accounts which should erode by the end of 2023. The majority of the variance is due to invoice timing, we are expecting a number of year-end invoices to be received in the coming weeks.

Education and Training

The education and training accounts have exceeded the budget by \$125K; this trend is forecasted to continue with a projected budget variance of \$165K. It is worth noting that recruitment costs are on the rise due to increased volume and pricing, as highlighted in previous years. As noted in the previous report, JIBC costs for the remainder of 2023 are known as all recruit seats are confirmed.

General Office and Administration

The general office and administration accounts are currently under budget by 8% and currently forecasted to come in close to budget. General office and admin is largely driven by IT and Legal costs. IT has done a review of their forecast, project implementation timelines, and adjusted the forecast accordingly for Q3. If the current trend in legal fees continues, this account would exceed the budget by \$91K.

Operational Equipment and Other Costs

Accounts within operating equipment and other costs are currently slightly over budget and the forecast is projecting a favorable variance by year-end. It is worth noting that the majority of the overages within specific account have grant recoveries that are allocated to grant revenue. Hiring needs for the remainder of 2023 are confirmed so uncertainty around the clothing issue account is minimal.

Sales of Service

As at September 30th, the department had invoiced for an additional \$137,000 in sales of service. Further analysis of monthly revenue has determined that we should expect a favourable budget variance of \$140,000. A price increase from a third party was finalized after budget approval, which has generated additional revenue. Changes in secondments will also add additional revenue to the department's bottom line.

Grants from other Government

The traffic fine grant for 2023 has been received and while the amount received, was higher than 2022 by \$71,000 the amount received was still short \$54,000 of budget. The funding agreement for the Gang Suppression Unit (GSU) ended on April 1, 2023, and there is no new agreement in place. For the purpose of the forecast, we are assuming the grant funding for GSU will be received. The department will update the Board once the new agreement is finalized and funding is secured. Conditional approval from CFSEU-BC PTEP Funding Selection Committee in the amount of \$179K has been factored into the 2023 forecast. This funding has been conditionally approved to support the additional the additional costs associated with a large file in 2023.

OPTIONS

Option #1 – That the New Westminster Police Board receive this report for information

Option #2 – That the New Westminster Police Board provide staff with other direction

Staff recommends option 1.

ATTACHMENT:

- A. September 30th, 2023 Financial Report
- B. 2023 Financial Forecast

This report has been prepared by: Jacqueline Dairon

Approved for Presentation

Dave Jansen
Chief Constable

3.2 - Attachment A



NEW WESTMINSTER POLICE DEPARTMENT BUDGET TO ACTUAL AS AT SEPTEMBER 30, 2023

	2023 Annual Budget	YTD Budget	Actual September 30, 2023	Budget to Actual Variance
Salaries and Benefits	30,154,201	22,905,846	22,371,775	534,071
Contracts Services	3,705,387	2,741,986	2,671,058	70,928
Education and Training	593,500	451,060	577,020	(125,960)
General Office	1,000,120	740,016	681,093	58,923
General Administration	277,700	205,705	197,960	7,745
Operational Equipment	486,980	360,431	405,195	(44,764)
Other Costs	361,056	267,180	238,234	28,946
Total Operating Expenditures	36,578,944	27,672,224	27,142,336	529,888
Sale of Services	(6,062,800)	(4,487,522)	(4,756,355)	268,833
Grants from Other Governments	(1,711,100)	(1,568,299)	(1,678,660)	110,361
Other Revenue	(22,500)	(16,650)	(18,471)	1,821
Total Revenues	(7,796,400)	(6,072,471)	(6,453,486)	381,015
NET EXPENDITURES	28,782,544	21,599,753	20,688,851	910,902
City Special Event Recovery	105,000	78,750	3,570	75,180
Amortization	687,000	508,380	515,250	(6,870)
Reconciled Net Operating Expenditures	29,574,544	22,186,883	21,207,671	979,212

3.2 - Attachment B



NEW WESTMINSTER POLICE DEPARTMENT 2023 FINANCIAL FORECAST AS AT SEPTEMBER 30

	2023 Annual Budget	YTD Budget	Actual September 30, 2023	2023 Remaining Estimates	Total 2023 Forecast	Budget to Forecast Variance
Salaries and Benefits						
Salaries Police	18,788,791	14,275,345	13,874,995	5,001,620	18,876,615	(87,824)
Salaries Clerical	2,750,670	2,090,508	1,769,076	817,721	2,586,797	163,873
Auxiliary Salaries	341,000	252,339	291,077	150,000	441,077	(100,077)
Overtime Police	1,628,340	1,237,509	1,388,142	462,714	1,850,855	(222,515)
Overtime Clerical	103,000	78,284	108,174	36,058	144,233	(41,233)
Overtime ICBC	21,200	16,112	19,432	5,000	24,432	(3,232)
Overtime Movies	115,000	87,400	16,880	5,627	22,507	92,493
Benefits Police	5,102,000	3,876,518	4,007,538	1,350,437	5,357,975	(255,975)
Benefits Clerical	854,100	649,117	571,751	291,177	862,929	(8,829)
Employer Health Tax	450,100	342,714	324,709	126,335	451,045	(945)
Estimate for Cost Increases	-	-	-	-	-	-
Total Salaries and Benefits	30,154,201	22,905,846	22,371,775	8,246,690	30,618,465	(464,264)
Contracts Services						
Services from Other Departments	36,225	26,806	42,166	2,500	44,666	(8,441)
Transcription Costs	41,400	30,636	31,331	12,901	44,232	(2,832)
Op Services - 3rd Party	3,292,762	2,436,644	2,397,533	1,019,467	3,419,069	(124,238)
Prisoner Custodial Services	335,000	247,900	200,028	142,877	342,905	(7,905)
Total Contracts Services	3,705,387	2,741,986	2,671,058	1,177,745	3,850,872	(143,416)
Education and Training						
Education and Training	365,500	277,780	318,045	79,778	397,822	(32,322)
Conferences and Seminars	75,000	57,000	73,631	4,277	77,908	(2,908)
Dues and Membership Fees	11,500	8,740	7,497	2,499	9,996	1,504
Subscription and Reference	11,500	8,740	5,113	2,056	7,169	4,331
Employee Services	25,000	19,000	13,264	11,736	25,000	(0)
Recruitment	100,000	76,000	159,471	75,571	235,042	(135,042)
Service Excellence	5,000	3,800	-	5,000	5,000	-
Total Education and Training	593,500	451,060	577,020	180,917	757,937	(164,437)
General Office						
Office Supplies	56,925	42,055	26,090	9,062.79	35,153	21,772
Printing and Forms	15,525	11,488	8,583	3,546.27	12,129	3,396
Business Lines	18,630	13,787	10,507	3,284.61	13,792	4,838
Cellular	119,025	88,078	76,988	36,875	113,863	5,162
Equipment and Furniture	36,225	26,806	23,986	10,325	34,311	1,914
Computer Equipment	173,340	94,972	17,574	12,426	30,000	143,340
Computer Operating Costs	138,195	102,263	73,528	71,472	145,000	(6,805)
System Usage Fee	382,950	316,683	419,317	90,683	510,000	(127,050)
Office Operating Costs	20,700	15,318	4,106	1,941	6,047	14,653
Records Management	10,350	7,659	6,737	1,420	8,157	2,193
Courier and Delivery	7,245	5,360	5,452	1,727	7,179	66
Postage	5,485	4,059	4,006	413	4,419	1,066
Advertising and Promotion	15,525	11,488	4,219	11,306	15,525	(0)
Total General Office	1,000,120	740,016	681,093	254,481	935,575	64,545
General Administration						
Unscheduled Maintenance	40,365	29,870	8,480	10,000	18,480	21,885
Security Systems	20,700	15,318	14,021	5,948	19,969	731
Consultants and Studies	122,450	90,820	50,082	60,000	110,082	12,368
Legal	72,450	53,613	123,151	41,050	164,201	(91,751)
Volunteer and Community Engagement	20,183	14,934	1,325	18,858	20,183	0
Bank Charges	1,552	1,150	902	451	1,352	200
Total General Administration	277,700	205,705	197,960	136,307	334,267	(56,567)



NEW WESTMINSTER POLICE DEPARTMENT 2023 FINANCIAL FORECAST AS AT SEPTEMBER 30

	2023 Annual Budget	YTD Budget	Actual September 30, 2023	2023 Remaining Estimates	Total 2023 Forecast	Budget to Forecast Variance
Operational Equipment						
Equipment Operating Costs	26,910	19,913	11,542	6,386	19,128	8,982
Radio Communications	310,500	229,770	226,488	75,198	301,686	8,814
Photographic	10,350	7,659	6,992	3,300	10,292	58
Firearms	62,100	45,954	63,491	4,069	67,560	(5,460)
Operational Costs - Other	77,120	57,135	96,683	12,000	108,683	(31,563)
Total Operational Equipment	486,980	360,431	405,195	100,953	507,348	(19,168)
Other Costs						
Appreciation and Hospitality	13,868	10,263	1,968	11,958	13,926	(58)
Other Grants and Donations	30,000	22,200	27,022	7,777	34,799	(4,799)
Special Investigations	25,875	19,147	13,869	9,214	23,083	2,792
Clothing Allowance	58,613	43,373	45,736	14,898	60,634	(2,021)
Clothing Issue	175,775	130,073	124,647	20,353	145,000	30,775
Laundry	56,925	42,124	24,992	17,851	42,843	14,082
Total Other Costs	361,056	267,180	238,234	82,051	320,285	40,771
Total Operating Expenditures	36,578,944	27,672,224	27,142,336	10,179,143	37,324,749	(742,536)
Revenues						
Sale of Services						
Custodial Services	(35,000)	(25,900)	(23,222)	(11,778)	(35,000)	-
Other Sales of Services	(160,000)	(118,400)	(255,916)	(44,084)	(300,000)	140,000
3rd Party Cost Recovery Charge	(5,762,800)	(4,264,472)	(4,473,646)	(1,551,354)	(6,025,000)	262,200
City Special Event Recovery	(105,000)	(78,750)	(3,570)	(101,430)	(105,000)	-
Sale of Services	(6,062,800)	(4,487,522)	(4,756,355)	(1,708,645)	(6,465,000)	402,200
Grants from Other Governments						
Grants - Revenue Sharing	(1,711,100)	(1,568,299)	(1,678,660)	(371,340)	(2,050,000)	338,900
Grants from Other Governments	(1,711,100)	(1,568,299)	(1,678,660)	(371,340)	(2,050,000)	338,900
Other Revenue						
False Alarm Fines	(12,500)	(9,250)	(13,700)	(2,500)	(16,200)	3,700
Auction Proceeds	(10,000)	(7,400)	(4,771)	(5,000)	(9,771)	(229)
Other Revenue	(22,500)	(16,650)	(18,471)	(7,500)	(25,971)	3,471
Total Revenues	(7,796,400)	(6,072,471)	(6,453,486)	(2,087,485)	(8,540,971)	744,571
Net Operating Expenditures	28,782,544	21,599,753	20,688,851	8,091,658	28,783,778	2,035

Q3 Operating Memo – Sewer Utility

BU and Accounts	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
Total 100 Taxation Revenue	(24,057)	(14,404)	(9,653)		9,653	(9,653)	
Total 150 Utility Rates	(27,554,360)	(27,123,329)	(431,031)	(28,307,000)	(27,875,970)	(431,030)	
Total 200 Sale of Services	(318,000)	(360,781)	42,781	(424,000)	(466,781)	42,781	
Total 250 Grants from Other Governments							
Total 300 Other Revenue	(15,000)		(15,000)	(20,000)	(5,000)	(15,000)	
Total 325 Contributed TCA							
Total 350 Contribution Revenue	(4,415,049)	(7,970)	(4,407,079)	(5,886,733)	(1,020,013)	(4,866,720)	(1,092,337)
Total 100 Revenue	(32,326,466)	(27,506,484)	(4,819,982)	(34,637,733)	(29,358,111)	(5,279,622)	(1,092,337)
200 Expenses							
Total 400 Salaries/Benefits/Training	944,866	731,082	213,784	1,229,445	977,788	251,657	52,376
Total 450 Contracted Services	691,824	792,385	(100,561)	990,573	1,093,834	(103,261)	100,000
Total 500 Supplies and Materials	100,847	83,012	17,835	144,609	153,002	(8,393)	
Total 725 Amortization	1,678,320	1,701,000	(22,680)	2,268,000	2,290,680	(22,680)	
Total 750 Utility Purchases and Levies	11,965,955	11,962,288	3,667	11,965,955	11,962,288	3,667	
Total 775 Capital Loss							
Total 200 Expenses	15,381,812	15,269,767	112,045	16,598,582	16,477,592	120,990	152,376
Total Sewer Fund	(16,944,654)	(12,236,717)	(4,707,937)	(18,039,151)	(12,880,519)	(5,158,632)	(939,961)

As At September 30, 2023 Budget vs Actual to Date

General

Overall, the Sewer Utility is unfavourable to Budget by -\$4.7M in Q23as archeological considerations have delayed budgeted grant revenue recognition, particularly from the West End Sewer Separation project. As per accounting standards, grant contributions are accrued based on the percentage of the project work completed. As the project is delayed due to archeological impacts the amount of grant revenue recognized in 2023 is projected to decline in line with the reduced level of work completed on the Sewer Separation project in 2023.

A shortfall to Budget on commercial sewer receipts accounts for the balance of the unfavourable variance.

On expenditures, vacancies and an employee on unpaid leave create a favourable personnel variance of \$0.2M which are offset by -0.1M unfavorable variance in contracted services that increased due to internal resourcing constraints and inflation.

Payroll

Vacancies and an employee on unpaid leave create a favourable personnel variance of \$0.1M. The Sewer Utility has 12 FTEs budgeted, including 0.5 FTE for a SCADA software technician shared with the Water Utility that was filled in March. The role was largely vacant in Q1. A further 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget, which is also shared with the Water Utility. This position was filled in August. The Sewer Utility also has a vacant Sub-foreman and an individual on medical leave. The latter 2 positions will not be filled on 2023. It is also expected that there will be a vacancy created toward the end of year due to retirement.

2023 Service Enhancement

A 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget that is also shared with the Water Utility. This position was filled in August.

2023 Annual Forecast Budget vs Actual

The Utility expects have a shortfall to Budget of -\$5.2M as archeological delays have delayed 2023 West End Sewer Separation to 2024 and will correspondingly delay grant revenue recognition and it is not anticipated that the utility will recover the shortfall to Budget on commercial revenues.

Planning Ahead

The sewer utility has developed its inaugural asset management plan in 2023. The finding from the plan indicates the current replacement value of the sewer and drainage assets is considerably higher than previously contemplated. While it's expected that guidance from Metro Vancouver on Sewer levies will be within a reasonable range of last year's projections, the sewer utility will be incrementally increasing rates by 1% to 8.0% per annum from 7.0% per annum to cover the updated revaluation reserve requirements.. The City will remain diligent in anticipating and reviewing any potential rate and cost methodology changes from Metro Vancouver and their appropriateness for the City of New Westminster. A potential change in the methodology used by Metro Vancouver can significantly impact future rates and is thus being watched closely.

Staff are working with HR to prioritize and find efficient and innovative means to address outstanding recruitments. In addition, third-party consultants, contractors and auxiliary staff are engaged to supplement services as needed.

Q3 Operating Memo – Solid Waste Utility

	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
BU and Accounts	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
Total 150 Utility Rates	(4,865,450)	(4,938,184)	72,734	(5,005,000)	(5,077,734)	72,734	
Total 300 Other Revenue	(584,250)	(765,458)	181,208	(779,000)	(960,208)	181,208	
Total 100 Revenue	(5,449,700)	(5,703,642)	253,942	(5,784,000)	(6,037,942)	253,942	
200 Expenses							
Total 400 Salaries/Benefits/Training	946,015	887,558	58,457	1,230,542	1,173,762	56,780	
Total 450 Contracted Services	78,929	19,203	59,726	114,284	113,602	682	
Total 500 Supplies and Materials	98,631	37,843	60,788	134,247	132,119	2,128	
Total 725 Amortization	296,000	299,997	(3,997)	400,000	403,997	(3,997)	
Total 750 Utility Purchases and Levies	1,792,080	1,646,945	145,135	2,458,768	2,458,768	0	
Total 775 Capital Loss							
Total 200 Expenses	3,211,655	2,891,546	320,109	4,337,841	4,282,248	55,593	
Total Solid Waste Fund	(2,238,045)	(2,812,096)	574,051	(1,446,159)	(1,755,694)	309,535	

As At September 30, 2023 Budget vs Actual to Date

General

The Solid Waste Utility is \$0.6M favourable to budget due to:

- \$0.1M in favourable residential revenue
- \$0.2M favourable on rebate earned from Recycle BC
- \$0.1M in favourable expense timing on tipping fee expense that is anticipated to reverse in the final quarter of the year
- \$0.2M of cumulative savings on expenses due to vacancies and expense timing

Payroll

The Solid Waste Utility has a Budget of 12 FTEs. There are 2 current labourer vacancies.

2023 Service Enhancement

None in 2023

2023 Annual Forecast Budget vs Actual

Favourable timing variances in Tipping Fees, and expenses are expected to catch-up and balance out to Budget by the end of the year. The utility expects to end the year \$0.3M favourable variance to Budget due to vacancies and higher than Budgeted revenue in Residential and Recycle BC rebates.

Planning Ahead

Guidance on higher than general CPI year-over-year Tipping Fees increases from Metro Vancouver is expected, escalating personnel costs, increased service levels, and fleet electrification, create significant cost challenges to a Solid Waste Utility already with lower than targeted Reserve balances. Going forward, the Utility will need to review its long-term planning strategies, including its asset management requirements to to better align the services provided.

The strategies and actions around Downtown livability will continue to present challenges to our staff with respect to the removal and disposal of discarded materials, including human waste and drug-related waste.

Q3 Operating Memo – Water Utility

BU and Accounts	Q3 Budget	Q3 Actual	YTD Bud	2023 Annual	2023 Annual	2023 Annual Bud	2023
	YTD Sep 30	YTD Sep 30	Var \$	Budget	Forecast	vs Forecast Var \$	Enhancement
100 Revenue							
Total 150 Utility Rates	(14,731,880)	(14,221,129)	(510,751)	(17,261,000)	(16,750,244)	(510,756)	
Total 200 Sale of Services	(74,177)	(33,873)	(40,304)	(99,000)	(58,696)	(40,304)	
Total 250 Grants from Other Governments							
Total 325 Contributed TCA							
Total 350 Contribution Revenue				(885,000)	(1,032,100)	147,100	
Total 100 Revenue	(14,806,057)	(14,255,002)	(551,055)	(18,245,000)	(17,841,040)	(403,960)	
200 Expenses							
Total 400 Salaries/Benefits/Training	659,303	431,354	227,949	858,019	594,092	263,927	52,374
Total 450 Contracted Services	75,571	252,918	(177,347)	109,245	286,807	(177,562)	28,200
Total 500 Supplies and Materials	123,616	116,366	7,250	179,137	181,285	(2,148)	40,000
Total 725 Amortization	837,680	848,997	(11,317)	1,132,000	1,143,317	(11,317)	
Total 750 Utility Purchases and Levies	6,100,104	5,260,697	839,407	7,466,596	7,556,905	(90,309)	
Total 200 Expenses	7,796,274	6,910,332	885,942	9,744,997	9,762,406	(17,409)	120,574
Total Water Fund	(7,009,783)	(7,344,670)	334,887	(8,500,003)	(8,078,634)	(421,369)	120,574

As At September 30, 2023 Budget vs Actual to Date

General

Overall, the Water Utility is favorable to Budget by \$0.3M in Q3 because of timing on Metro Vancouver water purchases. Adjusting for purchase timing the Water Utility would be below Budgeted targets by \$0.6M due to a shortfall in commercial water consumption. We anticipate that the actuals will not meet the budgeted levels with water restrictions and other conservation measures in place.

Salaries and Benefits cost savings are offset by an expansion in costs in Contracted Services as internal resourcing constraints are shifted.

Payroll

Vacancies and an employee on unpaid leave create a favorable personnel variance of \$0.1M. The Water Utility has 8 FTEs budgeted, including 0.5 FTE for a SCADA software technician shared with the Sewer Utility that was filled in March. The role was largely vacant in Q1. A further 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget, which is also shared with the Sewer Utility. This position was filled in August. The Water Utility has a vacant labourer and vacant maintenance role as at August.

2023 Service Enhancement

A 0.5 FTE enhancement for an engineering technologist was approved for the 2023 Budget that is also shared with the Sewer Utility. This position was filled in August.

2023 Annual Forecast Budget vs Actual

The Utility expects to be unfavorable to budget by \$0.4M as it is not expected that the utility will make up the commercial water revenue shortfall of \$0.5M. An increase in expected DCC contributions to capital compared to budgeted expectations by \$0.1M offsets some of this shortfall. Expenses are anticipated to be flat to Budget for the year.

Planning Ahead

Guidance from Metro Vancouver on Water levies are within reasonable range of last year's projections. Water utility rate increases will decrease to 7% per annum level due to forward guidance from Metro Vancouver on lower water purchase costs and in order to shift reserve and spending priorities to Sewer while keeping overall utility rate increases in line with prior years.

The City will remain diligent in anticipating and reviewing any potential rate and cost methodology changes from Metro Vancouver and their appropriateness for the City of New Westminster. A potential change in the methodology used by Metro Vancouver, can significant impact future rates and is thus being watched closely.

Staff are working with HR to prioritize and find efficient and innovative means to address outstanding recruitments. In addition, third-party consultants, contractors and auxiliary staff are engaged to supplement services as needed.

We anticipate cost escalations to continue to be a concern due to inflationary increases for basic materials and supplies.